

Recent rumors about a 3.8% home sales tax in the Affordable Care Act are false.

You may have received an e-mail with the following:

UNDER THE NEW HEALTH CARE BILL - DID YOU KNOW THAT ALL REAL ESTATE TRANSACTION

YOU CAN THANK NANCY, HARRY & BARACK (AND YOUR LOCAL CONGRESSMAN) FOR THIS ON

IF YOU SELL YOUR \$400,000 HOME, THIS WILL BE A \$15,200 TAX.

This is a myth.

Part of the healthcare reform bill was paid for through a 3.8 percent Medicare contribution on unearned income for households with more than \$250,000 in income. The contribution applies in very limited circumstances and it is not effective until 2013. Approximately two percent of U.S. households have \$250,000 or more in income.

Under existing law, up to \$500,000 in gain from the sale of a principle residence is already tax-free for married taxpayers. The Affordable Health Care Act did not change this law. It does, however, apply a 3.8% tax *only on capital gains of more than \$500,000*, for individuals with more than \$250,000 in household income. In other words, if a married person had household income of \$250,000 and receives \$500,001 in capital gains on the sale of their home, he/she would have to pay 3.8% of \$1.00, or \$0.038. This provision applies to very few households.

Read the [Factcheck.org article](#).